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TAGS: AEMR ASEC CASC KFLO MARR AMGT PGOV PINR KDEM

CS, HO

SUBJECT: TFHO1: LITTLE PROGRESS WITH SECOND ROUND OF

HONDURAN TALKS: MAY MEET AGAIN IN 72 HOURS

REF: A. SAN JOSE 602 ¶B. SAN JOSE 587

Classified By: Peter M. Brennan for reason 1.4 (d).

- 11. (SBU) The second round of talks to resolve Honduras' political crisis ended Sunday, July 19, with no agreement between the Zelaya and Micheletti delegations. The key issue and first point of President Arias' "Seven Points" is the return of Zelaya as President of Honduras. The Micheletti team held firm that Zelaya could return to Honduras, but only to "face justice" and not as president. The Zelaya team has accepted the seven points, which are listed below in para five. President Arias proposed that both sides take a 72-hour break to do consultations with their principals and restart negotiations on Wednesday, July 22. The negotiation teams for both delegations (Zelaya and Micheletti) met for over eight hours on Saturday, July 18 and about 4 hours on Sunday, July 19. The only known change to delegation members was a last minute switch on the Zelaya team: Milton Jimenez was replaced by Minister of Energy Rixi Moncada. END SUMMARY.
- 12. (SBU) After two days of intense negotiations between the Zelaya and Micheletti delegations hosted by President Arias, the talks broke down around 3:30 P.M. local Costa Rica time on Sunday, July 19. The key sticking point for the Micheletti team is that they do not want Zelaya back as president, but if he were to return, it would be to face justice. President Arias said, during a statement to the press in the immediate aftermath of the broken talks, that Zelaya's team had accepted his seven points and that Micheletti's had not. Arias also said that he wanted to take 72 hours for the delegations to do further consultations and then he wanted to work even harder to get to an agreement with a next round of negotiations to possibly start on Wednesday, July 22. The alternative, he said, could be bloodshed in Honduras and a possibility of civil war.
- 13. (U) Micheletti's team countered to the press that they view the first of these seven points, the re-installation of Zelaya as president, as "unacceptable" and "openly interfering in the internal affairs of Honduras." They added that it was tantamount to an infringement of sovereignty.
- 13. (C) MFA Foreign Policy Director Alejandro Solano told us on July 19 after the talks had ended that it was clearly Micheletti's team that would not budge. He added that President Arias had been clear in their internal GOCR meetings that it was "the intransigence" of the Micheletti side that led to the breakdown in talks.
- 14. (SBU) Solano told us on July 20 that FM Bruno Stagno had traveled to Panama to consult with the MFA there on the

implications of the current state of negotiations and to solicit new ideas to continue the diplomatic approach. Additionally, Micheletti's team went to Panama as well. Solano said that there would be a SICA (Central American Integration System, which Costa Rica is the president of currently) meeting in San Jose tomorrow (July 21) to further discuss strategy and how to move the talks forward.

15. (U) President Arias' Seven Points:

- -- Restoration of Jose Manuel Zelaya Rosales as President of Honduras to finish his term which ends on 27 January 2010;
- -- Formation of a government of national unity, composed of representatives of the principle political parties;
 -- Declaration of general political amnesty for all involved
- in the conflict (not including criminal acts);
- -- Renunciation by President Zelaya, and his government, of a "fourth urn" (or popular referendum) effort that is not authorized by the Honduran constitution;
- -- Moving national elections forward from 29 November to the last Sunday in October (24 October) along with starting electoral campaigns in the first days of August rather than September;
- -- Transfer of command of the Honduran Armed Forces from the Executive power to the Supreme Electoral Tribunal one month prior to national elections, to guarantee transparent and normal voting; and
- -- Establishment of a verification commission whose members would include "notable Hondurans" as well as members of international organizations, especially of the OAS, that would ensure that these accords were honored and all political activity was in conformity with the Honduran constitution.

COMMENT

16. (C) Although the outlook currently looks bleak, the 72-hour "consultation" period put forward by President Arias could be useful in putting international pressure on the Micheletti regime and making them realize they will need to make a deal. We expect that negotiations will continue on Wednesday as proposed by Arias. **BRENNAN**